



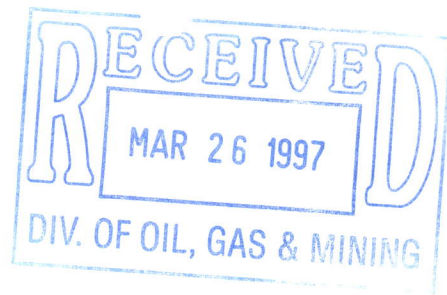
# State of Utah

*School and Institutional*  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
Governor

David T. Terry  
Director

675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818  
801-538-5100  
801-355-0922 (Fax)



March 24, 1997

Peacock Mining Co. Inc.  
Kermit Bohrer, President  
14761 Weld Co. Rd. 3  
Longmont, Colorado 80504

Re: Notice of Intent to Commence Small Mining Operations, Metalliferous Minerals Lease  
ML-47374, Lot 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 32, T. 19 S. R. 26 E. SLM. Grand Co. Utah.

Dear Mr. Bohrer:

The School and Institutional Trust Lands Administration is in receipt of your Notice of Intent (NOI) to Commence Small Mining Operations on the above referenced lands. At this time your notice is incomplete in that the exact location of your proposed operation is not clearly defined on the map accompanying your NOI. Could you please submit an enlarge map of the area showing your entire leasehold and more precisely show the location of your proposed excavation as well as the location of other feature such as water retention ponds and topsoil stockpile locations.

It is also the Trust Lands Administration understanding that your proposed operation is located entirely within a Colorado administered Wilderness Study Area (WSA). There is no information in the Trust Lands Administration office which identifies the boundaries of Colorado wilderness study areas. If your operations does fall within a WSA could you please provide a map showing the boundaries of the WSA.

Your NOI indicates that there will be a project surface disturbance of five (5) acres but reclamation will be continuous as mining progresses. It is unclear if the active mine disturbance will be five acres at anyone time or if the total final mined area will be five acres. The Trust Lands Administration will require a bond of \$ 2,500 per acre for each acre of unreclaimed surface disturbance. If the active mine area at any one give time is less than five acres the required reclamation bond can be significantly reduced.

As required by administration rules a cultural resource survey of the lands to be effected by mineral exploration/mining may be required at the expense of the lessee or operator. Required cultural resource surveys must be performed by an individual or party deemed by the administration to be qualified to perform such work. The Trust Lands Administration has contacted the State Historical Office for there recommendation as to whether a cultural resource survey will be required. If such a survey is required you will be provided with a list of qualified archaeological contractors.

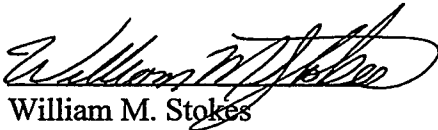
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You must also receive the approval for your proposed mining activity from the Division of Oil, Gas and Mining. You must contact them and comply with their requirements before commencing with any exploration or development. The address of the Division of Oil, Gas and Mining is 1594 West North Temple, Suite # 1210, P. O. Box 145801, Salt Lake City, Utah 84114.

Sincerely,

A handwritten signature in black ink, appearing to read "William M. Stokes", written over a horizontal line.

William M. Stokes

Minerals Resource Specialist